

Los Angeles Times

Give him credit; Treasurer Bill Lockyer provides a wake-up call with a provocative report on California's debt

Editorial

October 4, 2007

What do you do when you're maxed out on your credit cards, bill collectors are calling and your house needs a new roof? One response -- not the best one, certainly, but a common one -- is denial. The deeper the debt, the greater the pain in dealing with it, so the higher the likelihood of putting off any responsible action to some undetermined and ever-receding future date.

It often seems that's how it's done in California, with its perpetual deficit and its citizens' simultaneous hunger for more public works and distaste for tax increases. The state's answer has been to go deeper in debt by borrowing more money. We should deal with it all. Someday. But it seems so daunting.

So Treasurer Bill Lockyer's report on the state's debt can be seen as unexpectedly uplifting.

What's so uplifting about a report that predicts the state will be \$14.6 billion in debt in 20 years and that floats politically untenable responses, such as cutting off state funding for the University of California or raising property taxes?

For one thing, Lockyer was being provocative, and good for him. If suggesting drastic steps is what it takes to spur a serious discussion about spending, so be it.

For another, Lockyer's report shows that although the state's budget problems are deep, they are not fathomless. The projected debt would account for only 6.3% of projected general fund revenue. Is that affordable? It's a policy choice that lawmakers can make if they understand the consequences of their decisions.

Can California afford to maintain a first-class university system? Does anyone really want to roll back Proposition 13? Should we switch to revenue bonds for roads and charge tolls? Lockyer has started the conversation; elected officials and taxpayers must keep it going.